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Amendment to the Claims

1. (currently amended) A system for automatically converting checks to Automated Clearing House (ACH) ACH debits, comprising:

5 means for reading a Magnetic Ink Character Recognition (MICR) MICR line in a check at a point where said check is presented;

prior to parsing said MICR line, means for automating a determination process that determines, by applying various rules and by using data stored in a database, if said check is eligible to be converted to an ACH debit;

10 means for processing said check as a normal check, when said check cannot be converted to said ACH debit; and

means for parsing said MICR line for creating said ACH debit by a financial institution that issued said check, when said check can be converted to said ACH debit.

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2. (currently amended) A method for automatically converting checks to Automated Clearing House (ACH) ACH debits, comprising the steps of:

reading a Magnetic Ink Character Recognition (MICR) MICR line in a check at a point where said check is presented;

20 prior to parsing said MICR line, automating a determination process that determines, by applying various rules and by using data stored in a database, if said check is eligible to be converted to an ACH debit;

processing said check as a normal check, when said check cannot be converted to said ACH debit; and

25 parsing said MICR line for creating said ACH debit by a financial institution that issued said check, when said check can be converted to said ACH debit.

3. (currently amended) A method on a network for providing check truncation decision processing logic for Automated Clearing House (ACH) ACH conversion applications coupled to said network, said method comprising the steps of:

30 for electronic check representment, after receiving administrative return data and acting as a customer's ACH Originating Depository Financial Institution (ODFI), a financial institution applying check truncation decision processing logic, said logic comprising the steps of:

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converting said received administrative return data into an ACH debit;
and

using said administrative return informational data for updating;

for point of sale, applying check truncation decision processing logic
5 residing on equipment at a centralized location for determining and sending
confirmational information to a cashier either that an check can be converted to an
ACH debit or that said check must be deposited;

applying check truncation decision processing logic for identifying ineligible
checks at two points in lockbox processing:

10 during mail opening process, identifying and separating non-standard
checks, money orders, travelers checks, and the like; and

at a first pass through data capture equipment control point, for
determining and pocketing as deposit ineligible checks.

15 4. (original) The method of Claim 3, further comprising any of, or any
combination of the steps of:

mail opening equipment using basic Yes/No logic to detect inconsistencies
in check sizes and in MICR lines lengths;

mail opening equipment not looking at R/T numbers or MICR line detail;
20 providing software upgrades, developed and maintained by electronic
check experts, to customers for outsourcing ineligible checks; wherein processing
information programmed into said software is driven by a particular consumer's
billing account number, R/T number, and account number from the check.; and

providing logic for parsing routines for obtaining said consumer's billing
25 account number, R/T number, and account number from the check.

5. (original) The method of Claim 3, further comprising the steps of:

updating customer software continuously for identifying and converting
new exception checks; and

30 providing automated interfaces that notify and update customer platforms
for said identified and converted new exception checks as they appear.

6. (original) The method of Claim 3, wherein customer software maintenance
takes place on the following three levels:

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Institutional Routing/Transit Number;
Routing/Transit Number and Account Number; and
Consumer Billing ID.

5 7. (original) The method of Claim 6, wherein said levels are listed from highest level to lowest level.

8. (original) The method of Claim 3, wherein said step of updating further comprises the steps of:

10 as a customer encounters a return check having an image, reading said return check data, examining said image data, and determining changes needed for representing an ACH transaction successfully; and

storing any changes needed for successfully converting checks going forward.

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9. (currently amended) An apparatus on a network for providing check truncation decision processing logic for Automated Clearing House (ACH) ACH conversion applications coupled to said network, said apparatus comprising:

for electronic check representment, after receiving administrative return
20 data and acting as a customer's ACH Originating Depository Financial Institution (ODFI), means for a financial institution applying check truncation decision processing logic, said logic comprising the steps of:

converting said received administrative return data into an ACH debit;
and

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using said administrative return informational data for updating;

for point of sale, means for applying check truncation decision processing logic residing on equipment at a centralized location for determining and sending confirmational information to a cashier either that an check can be converted to an ACH debit or that said check must be deposited; and

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means for applying check truncation decision processing logic for identifying ineligible checks at two points in lockbox processing:

during mail opening process, identifying and separating non-standard checks, money orders, travelers checks, and the like; and

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at a first pass through data capture equipment control point, for determining and pocketing as deposit ineligible checks.

10. (currently amended) The apparatus of Claim 9, further comprising any of,
5 or any combination of:
- means for mail opening equipment using basic Yes/No logic to detect inconsistencies in check sizes and in Magnetic Ink Character Recognition (MICR) MICR lines lengths;
 - means for mail opening equipment not looking at Routing/Transit (R/T) R/T
10 numbers or MICR line detail;
 - software upgrades, developed and maintained by electronic check experts, to customers for outsourcing ineligible checks; wherein processing information programmed into said software is driven by a particular consumer's billing account number, R/T number, and account number from the check; and
15 logic for parsing routines for obtaining said consumer's billing account number, R/T number, and account number from the check.

11. (original) The apparatus of Claim 9, further comprising:
- means for updating customer software continuously for identifying and
20 converting new exception checks; and
 - automated interfaces that notify and update customer platforms for said identified and converted new exception checks as they appear.

12. (original) The apparatus of Claim 9, wherein customer software maintenance
25 takes place on the following three levels:
- Institutional Routing/Transit Number;
 - Routing/Transit Number and Account Number; and
 - Consumer Billing ID.

- 30 13. (original) The apparatus of Claim 12, wherein said levels are listed from highest level to lowest level.

14. (original) The apparatus of Claim 9, wherein said means for updating further comprises:

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as a customer encounters a return check having an image, means for reading said return check data, examining said image data, and determining changes needed for representing an ACH transaction successfully; and

5 means for storing any changes needed for successfully converting checks going forward.

15. (currently amended) An apparatus for remittance processing with express check conversion on a computer network, said apparatus comprising:

- 10 means for a consumer receiving an invoice and a conversion notification;
- means for said consumer mailing a payment coupon with a corresponding check to a remittance processing center;
- a repository for receiving and processing said payment coupon and said corresponding check;
- 15 means for sending said received and processed payment coupon and said corresponding check to a remittance processing center comprising at least one computer processor, said remittance processing center further comprising:
 - means for converting eligible consumer checks to an associated electronic format;
 - means for creating an electronic file for said converted checks;
 - 20 means for depositing ineligible checks at a bank; and
 - means for managing storage and retrieval of image data corresponding to said converted checks; and
- an associated financial institution further comprising:
 - 25 means for Automated Clearing House (ACH) ACH file processing and settlement;
 - means for performing account maintenance;
 - means for handling administrative returns; and
 - means for providing customer service.

30 16. (original) The apparatus of Claim 15, wherein said repository is a company or a lockbox.

17. (original) The apparatus of Claim 15, wherein ineligible checks are deposited at a second financial institution different from said associated financial institution.

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18. (original) The apparatus of Claim 15, further comprising:
a third party site for opening mail and processing checks.
- 5 19. (original) The apparatus of Claim 15, said remittance processing center further comprising:
means for opening envelopes;
means for imaging check;
means for determining payment amount;
10 means for associating said check with a customer account; and
means for determining if said check is eligible for conversion.
20. (original) The apparatus of Claim 15, wherein eligible checks comprise:
consumer checks only;
15 checks having a pre-printed serial number;
checks completed and signed by a consumer; and
checks of any dollar value.
21. (original) The apparatus of Claim 15, wherein ineligible checks comprise:
20 corporate checks;
third party checks;
credit card checks;
cashier's checks and money orders;
government checks;
25 checks payable in a foreign currency; and
checks containing an auxiliary on-us field.
22. (currently amended) The apparatus of Claim 15, wherein said remittance processing center further comprises:
30 means for sorting checks using a sorting criteria, said sorting criteria further comprising:
by a customer database of either a business customer or an opt out customer;

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by size of check, wherein six inches denotes a consumer check and a larger size denotes a business check;

by routing transit number on checks and whether said checks are ACH accepted or not; and

5 by format of Magnetic Ink Character Recognition (MICR) MICR line and existence of auxiliary on-us field.

23. (currently amended) The apparatus of Claim 22, further comprising:

means for parsing said MICR line; and

10 options for parsing, said options comprising:

using a provided Decisioning Table to make decisions, parse within a customer's remittance processing environment, and create a National Automated Clearing House Association (NACHA) NACHA formatted file;

15 decisioning within a customer's remittance processing environment and creating a "Perfect Parsing" data file and transmitting to a corresponding financial institution facility for parsing via a Decisioning Table; and using a third party software Decisioning Table.

24. (currently amended) The apparatus of Claim 23, wherein said Decisioning
20 Table comprises:

a database of bank Routing/Transit (R/T) R/T numbers and account number and MICR parsing formats;

any or all of daily, weekly, and monthly analysis of said financial institution's ACH origination, return, and Notifications of Change (NOC) transaction
25 data, wherein said analyses comprise means for finding patterns; and

means for automatically loading NOCs and using NOC data to correct future originated transactions.

25. (original) The apparatus of Claim 23, further comprising:

30 options for using said Decisioning Table, said options comprising:

installing a financial institution facility's database in a customer's platform and using said database to determine eligible and ineligible items, then sending a resulting data file to said financial institution's facility, said facility then

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parsing said data and creating and processing a NACHA formatted file containing customer transactions;

- installing a financial institution facility's database in a customer's platform and using it to determine eligible and ineligible item data, then parsing said
- 5 data and creating and processing a NACHA formatted file containing customer transactions and sending a resulting NACHA formatted file to said financial institution facility, which then performs enhanced modifications and corrections, comprising, but not limited to adding and deleting leading zeros and performing credit union conversion modifications; and
- 10 using third party software for converting items and sending a resulting NACHA formatted file to a financial institution's facility for further processing.

26. (original) The apparatus of Claim 25, wherein said means for installing said database in said customer's platform further comprises:

- 15 means for incorporating said database into a software program of said customer for assisting in determining which checks are eligible for conversion; and
- means for updating said database periodically from a transmitted file sent from said financial institution to said customer.

- 20 27. (original) The apparatus of Claim 15, further comprising:
- means for destroying checks, which have been converted to ACH debits, within a predetermined amount of time.

28. (original) The apparatus of Claim 23, further comprising:

- 25 means for identifying active versus retired R/T numbers, ACH participating R/T numbers, credit union conversion identification and translation information, check conversion eligibility flags, invalid account lengths, minimum and maximum account lengths, parsing format codes, and trim lead zero indicator;
- a MICR Translation Table containing a list of masks for all of the possible
- 30 MICR on-us field variations with a corresponding location of an account number and check serial number, wherein some masks are duplicated on said table with parsing format identifiers matching options available on a bank directory; and
- means for storing all originated check conversion transactions and corresponding transaction modifications needed for future transactions, wherein said

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transaction modifications are a result of received notifications of change and administration return processing.

29. (original) The apparatus of Claim 15, further comprising:
5 means for encoding ineligible checks.
30. (original) The apparatus of Claim 15, further comprising:
means for automatically drafting checks as needed for collecting checks
from R/T numbers that have changed their ACH participation status after an
10 ineligible R/T numbers list was previously loaded.
31. (original) The apparatus of Claim 15, wherein said means for handling
administrative returns further comprises:
means for correcting and re-originating an ACH item;
15 means for correcting and drafting a check;
means for dishonoring said an ACH return; and
means for taking a copy of an image of a returned item for producing an
image replacement document.
- 20 32. (original) The apparatus of Claim 15, further comprising:
means for using information from a notification of change (NOC) received
for check conversion transactions for modifying a (R/T)/Account/Transaction code for
future check conversion transactions, further comprising:
means for applying check conversion logic for modifying a
25 (R/T)/Account/Check number; and
means for checking if a matching NOC was received in an associated
database, and if a match is found, then using NOC information for setting the R/T,
Account, and Transaction code.
- 30 33. (original) The apparatus of Claim 32, wherein transactions from said
database are removed if a check conversion transaction for a matching RT/Account
was not received in a predetermined amount of time.
34. (original) The apparatus of Claim 32, further comprising:

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means for allowing inquiries, updates, deletes, and adds to the NOC records in said database for, but not limited to, altering how the RT/Account/Transaction code is changed for check conversion transactions.

5 35. (original) The apparatus of Claim 32, further comprising:

means for checking if returns are received for a transaction in which a RT/Account/Transaction code is modified because of a previous NOC, such NOC record is deleted from an associated database such that future transactions for such RT/Account/Transaction code are not altered.

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36. (currently amended) A method for remittance processing with express check conversion on a computer network, said method comprising the steps of:

a consumer receiving an invoice and a conversion notification;

said consumer mailing a payment coupon with a corresponding check to a

15 remittance processing center;

providing a repository for receiving and processing said payment coupon and said corresponding check;

20 sending said received and processed payment coupon and said corresponding check to a remittance processing center comprising at least one computer processor, said remittance processing center further comprising the steps of:

converting eligible consumer checks to an associated electronic format;

creating an electronic file for said converted checks;

depositing ineligible checks at a bank; and

25 managing storage and retrieval of image data corresponding to said converted checks; and

providing an associated financial institution further comprising:

means for Automated Clearing House (ACH) ACH file processing and settlement;

30 means for performing account maintenance;

means for handling administrative returns; and

means for providing customer service.

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37. (original) The method of Claim 36, wherein said repository is a company or a lockbox.
38. (original) The method of Claim 36, wherein ineligible checks are deposited at
5 a second financial institution different from said associated financial institution.
39. (original) The method of Claim 36, further comprising the step of:
providing a third party site for opening mail and processing checks.
- 10 40. (original) The method of Claim 36, said remittance processing center further comprising the steps of:
opening envelopes;
imaging check;
determining payment amount;
15 associating said check with a customer account; and
determining if said check is eligible for conversion.
41. (original) The method of Claim 36, wherein eligible checks comprise:
consumer checks only;
20 checks having a pre-printed serial number;
checks completed and signed by a consumer; and
checks of any dollar value.
42. (original) The method of Claim 36, wherein ineligible checks comprise:
25 corporate checks;
third party checks;
credit card checks;
cashier's checks and money orders;
government checks;
30 checks payable in a foreign currency; and
checks containing an auxiliary on-us field.
43. (original) The method of Claim 36, wherein said remittance processing center further comprises the steps of:

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sorting checks using a sorting criteria, said sorting criteria further comprising:

by a customer database of either a business customer or an opt out customer;

5 by size of check, wherein six inches denotes a consumer check and a larger size denotes a business check;

by routing transit number on checks and whether said checks are ACH accepted or not; and

by format of MICR line and existence of auxiliary on-us field.

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44. (currently amended) The method of Claim 43, further comprising the steps of:

parsing said Magnetic Ink Character Recognition (MICR) MICR line; and

providing options for parsing, said options comprising:

15 using a provided Decisioning Table to make decisions, parse within a customer's remittance processing environment, and create a National Automated Clearing House Association (NACHA) NACHA formatted file;

decisioning within a customer's remittance processing environment and creating a "Perfect Parsing" data file and transmitting to a corresponding financial institution facility for parsing via a Decisioning Table; and

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using a third party software Decisioning Table.

45. (currently amended) The method of Claim 44, wherein said Decisioning Table comprises:

25 a database of bank Routing/Transit (R/T) R/T numbers and account number and MICR parsing formats;

any or all of daily, weekly, and monthly analysis of said financial institution's ACH origination, return, and Notifications of Change (NOC) transaction data, wherein said analyses comprise means for finding patterns; and

30 means for automatically loading NOCs and using NOC data to correct future originated transactions.

46. (original) The method of Claim 44, further comprising the step of:

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providing options for using said Decisioning Table, said options comprising:

installing a financial institution facility's database in a customer's platform and using said database to determine eligible and ineligible items, then
5 sending a resulting data file to said financial institution's facility, said facility then parsing said data and creating and processing a NACHA formatted file containing customer transactions;

installing a financial institution facility's database in a customer's platform and using it to determine eligible and Ineligible Item data, then parsing said
10 data and creating and processing a NACHA formatted file containing customer transactions and sending a resulting NACHA formatted file to said financial institution facility, which then performs enhanced modifications and corrections, comprising, but not limited to adding and deleting leading zeros and performing credit union conversion modifications; and

15 using third party software for converting items and sending a resulting NACHA formatted file to a financial institution's facility for further processing.

47. (original) The method of Claim 46, wherein said installing said database in said customer's platform further comprises the steps of:

20 incorporating said database into a software program of said customer for assisting in determining which checks are eligible for conversion; and

updating said database periodically from a transmitted file sent from said financial institution to said customer.

25 48. (original) The method of Claim 36, further comprising the step of:

destroying checks, which have been converted to ACH debits, within a predetermined amount of time.

49. (original) The method of Claim 44, further comprising the steps of:

30 identifying active versus retired R/T numbers, ACH participating R/T numbers, credit union conversion identification and translation information, check conversion eligibility flags, invalid account lengths, minimum and maximum account lengths, parsing format codes, and trim lead zero indicator;

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providing a MICR Translation Table containing a list of masks for all of the possible MICR on-us field variations with a corresponding location of an account number and check serial number, wherein some masks are duplicated on said table with parsing format identifiers matching options available on a bank directory; and

5 storing all originated check conversion transactions and corresponding transaction modifications needed for future transactions, wherein said transaction modifications are a result of received notifications of change and administration return processing.

10 50. (original) The method of Claim 36, further comprising the step of:
encoding ineligible checks.

51. (original) The method of Claim 36, further comprising the step of:
automatically drafting checks as needed for collecting checks from R/T
15 numbers that have changed their ACH participation status after an ineligible R/T numbers list was previously loaded.

52. (original) The method of Claim 36, wherein said handling administrative returns further comprises the steps of:
20 correcting and re-originating an ACH item;
correcting and drafting a check;
dishonoring said an ACH return; and
taking a copy of an image of a returned item for producing an image replacement document.

25 53. (original) The method of Claim 36, further comprising the step of:
using information from a notification of change (NOC) received for check conversion transactions for modifying a (R/T)/Account/Transaction code for future check conversion transactions, further comprising the steps of:
30 applying check conversion logic for modifying a (R/T)/Account/Check number; and
checking if a matching NOC was received in an associated database, and if a match is found, then using NOC information for setting the R/T, Account, and Transaction code.

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54. (original) The method of Claim 53, wherein transactions from said database are removed if a check conversion transaction for a matching RT/Account was not received in a predetermined amount of time.

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55. (original) The method of Claim 53, further comprising the step of:
allowing inquiries, updates, deletes, and adds to the NOC records in said database for, but not limited to, altering how the RT/Account/Transaction code is changed for check conversion transactions.

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56. (original) The method of Claim 53, further comprising the step of:
checking if returns are received for a transaction in which a RT/Account/Transaction code is modified because of a previous NOC, such NOC record is deleted from an associated database such that future transactions for such

15 RT/Account/Transaction code are not altered.